Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
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In the Matter of

Policies and Rules Pertaining to the Equal Access Obligations of Cellular Licensees

OPPOSITION

COMCAST CELLULAR COMMUNICATIONS, INC.

RM-8012

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SUMMARY

Comcast, an independent cellular operator, opposes MCI's petition for rulemaking to impose landline equal access obligations on independent, non-BOC cellular operators. MCI has failed to demonstrate that any public benefit will be derived from initiation of a Commission proceeding focusing on the provision of IXC equal access by independent cellular operators. MCI's proposal that equal access regulations be imposed upon the few remaining independent, non-BOC cellular operators is unsupported and unsupportable, particularly at a time when the Commission is concentrating its resources on ferreting out the unnecessary and unwarranted from the panoply of regulations governing the communications industry.

Contrary to MCI's suggestion, the current market situation under which only BOC cellular affiliates are required to provide IXC equal access is not an anticompetitive anomaly disadvantaging cellular customers. Potential and existing cellular customers currently have a choice between two competing cellular carriers in each market, at least one whom is likely to be providing IXC equal access already. Further, in the clear majority of the top markets, both cellular carriers offer equal access due to the increasing dominance of BOC affiliates in the cellular industry. If public need or demand for IXC equal access increases, market forces will provide ample incentive for the few remaining independent cellular operators to compete with their BOC counterparts by offering the service.

MCI also fails to address the extreme differences between the ability of the BOCs and independent cellular operators to recover implementation and maintenance costs. BOCs can spread the cost of equal access among the many markets they were given in the cellular licensing process and have subsequently acquired. The

cost of implementing equal access is higher for independent cellular operators who typically serve smaller, more geographically dispersed markets. Further, the failure of MCI to address whether the purported benefits of proscribed equal access will outweigh the costs of implementation in rural service areas or smaller metropolitan statistical areas where BOC economies of scale are not present is glaring. Given the current widespread availability of equal access and the demonstrated lack of interest cellular subscribers have shown in having equal access in all markets, the costs associated with pursuing MCI's proposal clearly outweigh any public benefit MCI believes can be derived.

Competition in the provision of long distance services is better served by not requiring independent cellular operators to provide IXC equal access. Equal access was mandated to break open the gateway to local exchange services that was wholly within the grip of the BOCs. It stems from the recognition by both the MFJ Court and the Commission that equal access regulations are necessary and appropriate for BOC affiliates based upon their pre- and post-divestiture history of disadvantaging competitors, as well as their abuse of their monopoly control over the local exchange telecommunications marketplace. Non-LEC affiliated independent cellular operators have neither the anticompetitive history, nor vast financial resources, nor historical nexus to AT&T, nor dominance of the local exchange market of their BOC counterparts.

In short, independent cellular operators, like Comcast, have no incentive other than to contract with the IXC offering the most competitive pricing and services. Moreover, whereas in most markets equal access has done little more than consolidate the provision of long distance services in the hands of the few, permitting independent cellular operators to obtain long distance services on behalf of its customers opens the

door for more significant participation of less well known and smaller IXCs whose pricing and packages of services may be superior.

Finally, MCI's argument that BOC and independent cellular operators must be treated uniformly is self serving and also fails to withstand scrutiny. There is no reason to treat BOC and independent cellular operators uniformly since they are not similarly situated, whether measured in terms of the vast financial resources and growing market share of the BOCs through non-wireline acquisitions, or in terms of the historical and continuous BOC anti-competitive practices. In fact, Commission precedent supports non-uniform treatment in the implementation of equal access by independent carriers.

In light of MCI's failure to demonstrate consumer interest or demand for equal access, or marketplace conditions that would warrant imposing such rules on independent cellular operations, or any public benefit that can be derived from the adoption of MCI's proposal, the Commission should decline the invitation to force fit inappropriate landline rules to cellular carriers; rules that may benefit MCI, but not the public as a whole.

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OPPOSITION

Comcast Cellular Communications, Inc. ("Comcast"), by its attorneys, hereby opposes MCI Telecommunications Corporation's ("MCI") petition urging this Commission to impose regulatory policies designed for bottleneck, local exchange monopolies on Comcast and other independent cellular providers. Adoption of MCI's proposal would require the design and implementation of expensive and cumbersome interexchange access procedures by independent cellular operators who lack the economies of scale and resources of their regional Bell Operating Company ("BOC") competitors. MCI has failed to show that its proposal is necessary, appropriate, cost effective to implement and maintain, or in the public interest.

Comcast's cellular affiliates are non-wireline cellular services providers operating in the Philadelphia, Pennsylvania/Wilmington, Delaware, Long Branch/Asbury Park, New Brunswick and Trenton, New Jersey, and Aurora/Elgin and Joliet, Illinois markets. Comcast provides cellular and interexchange services to its customers on an integrated basis. Comcast is also a participant in a joint venture with Southwestern Bell Mobile Systems ("SBMS") providing cellular service in the Dover, Delaware RSA, and as an interim carrier in the Maryland 2 RSA.

I. Imposition of Costly IXC Access Requirements Are Not Required and Are Contrary to the Public Interest.

MCI proposes the institution of a rulemaking proceeding at the very time that the President and the Commission seek to reduce unnecessary regulations and leave competition in the marketplace to define the rules and promote economic activity.

Government intervention is often warranted, but such intervention must be predicated upon some showing that, without intervention, the marketplace cannot function efficiently or in the public interest. MCI has not offered a single valid explanation as to how more rules would foster the public interest in this instance; nor has it asserted the presence of a market failure in need of regulatory intervention. Even a cursory look at the cellular radio environment reveals a busy, growing, and somewhat diverse marketplace, albeit one increasingly dominated by affiliates of the Bell Operating Companies ("BOCs"). It is a marketplace which has grown faster than anyone had anticipated, with all interexchange carriers ("IXCs") having had access to its benefits whether through the equal access requirements that have been properly maintained upon BOC affiliates or through the competitive offerings of IXCs to independent cellular operators.

In evaluating MCI's proposal, the Commission should also consider that independent cellular operators typically provide their services in smaller, more scattered markets than those of their BOC affiliated counterparts. The costs of implementing and maintaining equal access in this disparate environment are not comparable. Further, there is no countervailing consumer benefit to be achieved by strictly circumscribing the variety of carrier access methods in use by independent cellular operators, particularly

since there is no question that equal access is broadly available for those consumers who desire it.

Implementation of cellular equal access rules would do little to affect the relative amount of traffic the various IXCs carry and in fact will tend to perpetuate the dominance of those few IXCs who have established themselves competitively in recent years. At the same time, it would adversely affect the competition that currently exists among IXCs to offer competitive prices to independent cellular operators for their services.

Most important, Comcast has found that cellular customers are not particularly interested in the purported benefit of equal access for IXCs. Those few customers that do value equal access may choose to subscribe with the BOC affiliated operator. Should access become an issue for cellular customers market forces will cause the independent operators to provide it.

A. The Costs of Implementing IXC Access Are Higher for Independent Cellular Operators, Particularly in Smaller Markets.

When assessing the perceived benefits of adopting new access rules the Commission should not overlook the additional costs IXC access would create for cellular carriers and customers. Most independent cellular carriers provide service in markets below the top twenty. In these smaller MSAs and RSAs there are few economies of scale or scope from which to recover the costs of implementing and maintaining IXC access. And even those independent carriers that do operate in larger markets do not enjoy the economies of scale and region of their BOC affiliated counterparts.

Comcast's own experience with the cost of implementing equal access as a joint venturer with SBMS, a BOC affiliate, in the Dover, Delaware RSA illustrates that the costs of implementing IXC access far outweighs the benefits. The Dover cellular system currently has fewer than 2000 customers out of a total population of about 224,000. Despite the relatively small number of customers, Comcast and its partner were forced to expend significant time, effort and expense in marketing, advertising and modifying switch software to offer these customers a choice of interexchange carriers. In the end our customers proved indifferent to the choice of IXC. Many customers were confused by the requirement that they select an interexchange carrier and questioned why they were being forced to choose when they were fully satisfied with service as it was. But when forced to choose, the three dominant IXC providers were selected by virtually all the subscribers. Only one of the remaining IXCs even bothered to participate in the process. And, most important, roughly 80% of the subscribers simply selected the dominant IXC, AT&T.

Further, the IXCs were unwilling to pay any of the costs associated with implementing equal access and are proving to be no more willing to bear the costs of maintaining IXC access. With an annual industry-wide cellular customer churn rate of 25%, the Mobile Telephone Switching Office ("MTSO") software must constantly be updated with IXC routing change information. In the end these costs will be borne by cellular customers. In Comcast's view, the costs of implementing and maintaining IXC access in these markets has far outweighed any benefit to any of our subscribers.

In contrast, BOC cellular affiliates are in a much better position to spread the costs of providing IXC access among their cellular operations. From the outset the BOCs, and other LECs, enjoyed a privileged position vis-a-vis their non-wireline cellular competitors in gaining cellular licenses. The Commission's cellular licensing rules provided that one of the two available licenses in each of the 734 markets was set-aside for the LEC. The BOCs effectively received automatic licenses in contiguous areas spanning their multistate operating territories. They were not obliged to participate in the costly post-lottery acquisition games that drove up the entry costs for non-affiliated cellular entities. As a result BOC cellular capital investments are lower than those of independents. Now BOC cellular affiliates control all but six of the twenty cellular operations in the top ten cellular markets, and serve vast markets that dwarf the serving areas of other cellular providers. Their widespread cellular service areas which substantially overlap their landline local exchange operations allow them to spread the costs of equal access more broadly and achieve economies of scale and scope unavailable to independent cellular operators.

B. The Current Market Is Competitive and There Is No Reason to Alter Current IXC Access Arrangements.

1. IXC Access Is Widely Available.

The Commission is well aware of the ongoing concentration of the cellular market in the hands of the BOCs and other entities with local exchange operations. As a result of out-of-region BOC-affiliated cellular acquisitions both cellular carriers already provide IXC equal access in nearly three-quarters of the top twenty cellular markets. In

^{1/} Since the Commission first authorized PacTel in 1986 to acquire cellular licenses outside of its franchised telephone service areas, the BOCs have snapped up cellular licenses at a rapid pace, particularly in primary and secondary metropolitan markets.

See e.g., Comments of McCaw Cellular Communications, Inc. on the Motion of the Bell Companies for Removal of Mobile and Other Wireless Services from the Scope of the Interexchange Restriction and Equal Access Requirement of Section II of the Decree, filed with the Department of Justice on April 27, 1992 at 12.

those markets where BOC affiliates do not control all of the cellular spectrum, at least one carrier provides IXC access. Therefore, it is simply incorrect for MCI to assert that IXC equal access is not broadly available to cellular customers.

Application of an IXC access policy to independent cellular operations is not justified, particularly because cellular customers already have a choice of carriers. For example, in many of its cellular markets, Comcast competes with Bell Atlantic Mobile Systems ("BAMS") for cellular customers. Potential customers are free to evaluate their service options and choose between Comcast and BAMS.

As a result of being in direct competition with BAMS, Comcast has a substantial business incentive to respond to cellular customer needs. Obviously, Comcast will keep its customers only by satisfying their demands. However, Comcast's experience is that while its customers desire quality interexchange services, they are not particularly interested in the identity of the interexchange services provider. Comcast has not perceived any real customer demand for IXC access.

Moreover, if mandated IXC access would cause disruption, confusion and customer inconvenience, without any countervailing benefit. For example, Comcast currently renders a single bill to its cellular customers listing both local and interexchange call charges. In markets where IXC access is provided, IXCs have refused to sign billing and collection agreements with the cellular carrier. This results in the cellular customer receiving two separate bills for service previously billed on an integrated basis. In our Dover system, where equal access is being implemented, Comcast has had to try to educate its subscribers on how to compare and evaluate the two bills they will receive and the relative services they represent. Our experiences in

Dover have confirmed our belief that our customers prefer the convenience of a single bill for their local and interexchange cellular calls.

2. "Equal" Access Requirements Would Halt Current IXC Price and Service Competition For Interexchange Traffic Generated Within Independent Markets.

Competition currently exists with respect to IXC long distance in another form: interexchange carriers compete with one another for the interexchange traffic generated by the customers of independent cellular operators. This form of competition is the most efficient; independent cellular carriers are anxious to deal with the IXC that offers the lowest rate for service combined with superior service quality. In this environment, one IXC could garner significant cellular interexchange traffic if it is willing to outbid other IXCs and offer higher quality service to an independent cellular providers' customers. Moreover, in so doing an IXC such as MCI could achieve a greater market share. In a world dictated by equal access, one IXC -- AT&T -commands an enormous share of the total market. In contrast, by working with an independent cellular operator, other IXCs have the opportunity to contract for the interexchange traffic of an entire cellular customer base. Yet, MCI would have the Commission foreclose this competitive option. In fact, if equal access was imposed and the IXC selection results for independent cellular operations resembled that of BOC affiliated cellular operations, the amount of additional interexchange traffic most IXCs would capture by implementation of equal access would be minuscule.

Moreover, the ability of the independent cellular operator and the IXC to deal directly with one another can create opportunities for cellular customers. Comcast, for example, has purchased IXC services in bulk enabling it, in turn, to offer customers free unlimited long distance calling during weekends. By offering these toll-free services

(the customers pay only for the cellular airtime), Comcast is better able to compete with its BOC affiliated cellular counterpart, which due to the size and scope of its contiguous markets may be otherwise better positioned to offer special services.²

Similarly Comcast has just announced a new package of services for its business cellular customers. Comcast's "Quicklink_{TM}" service provides a dedicated connection between the MTSO and the business' private telephone system. Among other features, cellular customers' toll calls will be routed automatically over their companies' long distance trunk lines to maximize all available long distance volume discounts. Changing to an IXC access regime would preclude such competition yet would offer no real benefit to cellular customers or to interexchange carriers. Imposing equal access rules would, however, discourage IXCs from looking for ways to work with the cellular carrier to design programs to attract new customers.

II. Interexchange Equal Access Requirements Arise from BOC Control of Bottleneck Facilities and the Continuing Anti-Competitive Tendencies of the BOCs. Independent Cellular Operators Do Not Have the Same Facilities or Incentives.

In evaluating MCI's petition, the Commission must bear in mind the genesis of equal access and other similar restrictions on the BOCs. Interexchange equal access provisions were first imposed upon the regional BOCs by the Modification of Final Judgment ("MFJ") in recognition of the BOCs' bottleneck control of access to their landline local exchange customers. The Commission also recognized that implementation of a customer ballot process could speed the establishment of a more

^{2/} Still other factors may better position BOC cellular affiliates. For example, cellular interconnection costs are largely irrelevant to the BOC, since all of their interconnection payments to their parent are merely pocket to pocket transfers.

competitive interexchange market. Both the MFJ court and the Commission's actions were designed to provide all IXCs with equal access to BOC end offices, to offset the tremendous advantage AT&T would enjoy even after divestiture because of its longstanding direct, ubiquitous connections to BOC end offices.

Divestiture did not, however, eliminate the incentives or the ability of the BOCs to continue to use their bottleneck monopoly to disadvantage competitors, including cellular operators. Consequently, the Commission has often found it necessary to intervene on behalf of independent cellular operators, and has had to establish basic ground rules for BOC treatment of cellular carriers and others, including the IXCs, that must look to the BOCs for facilities essential to their own businesses.

In contrast, independent cellular operators, such as Comcast, do not have a similar history of anti-competitive activities nor do they have bottleneck monopoly facilities that can be used to thwart competitors. Therefore, it cannot be assumed that those regulatory safeguards designed for the BOCs and their subsidiaries are appropriate or warranted for independent cellular operators. Such is the case with mandatory equal access.

A. The MFJ Imposed Equal Access Obligations on the BOCs To Minimize Their Opportunities for Anticompetitive Behavior.

The purpose of the MFJ was to isolate the BOC local exchange, a natural monopoly, from competitive services in order to minimize opportunities for anti-competitive and discriminatory behavior by the BOCs. The basic method for achieving non-discriminatory access for interexchange carriers was to mandate equal opportunities for all IXCs to interconnect with BOC end offices on the same terms and conditions as

AT&T. Consequently, the MFJ contained a schedule for conversion of BOC end offices to equal access.²/

The MFJ's IXC access obligation was applied to BOC cellular services in recognition that these services were a mobile form of local exchange service. In markets in which BOC-affiliated cellular operators are co-located with the landline facilities, the cellular operations are just another facet of the landline bottleneck. Initially virtually all BOC cellular operations overlapped BOC landline local exchange operations. Later, when the BOCs began acquiring cellular licenses outside of their landline telephone regions, equal access rules were already in place as basic ground rules for the BOC-affiliated cellular operation. Indeed the rules were generally accepted by the BOCs as a condition on their cellular operations. Moreover, in their apparent enthusiasm to be in the cellular businesses with inside and outside their LEC service areas, the BOCs appeared untroubled by the extended applicability of the equal access obligation.

^{3/} See United States v. Am. Tel.& Tel. Co., 552 F. Supp. 131, 196 (D.D.C. 1982), aff'd sub nom. Maryland v. United States, 460 U.S. 1001 (1983).

^{4/} The Commission imposed its own conditions on the BOCs' provision of landline IXC equal access in recognition of the anticompetitive behavior of the BOCs. It was quickly perceived that equal access under the MFJ addressed only part of the problem in the early post-divestiture environment. Telephone users were unaccustomed to competition in interexchange services and the BOCs were positioned to take advantage of their complacency to the great disadvantage of the less prominent IXCs. The Commission determined that it was unreasonable for the BOCs automatically to route all "default" interLATA interexchange traffic to their former parent company, AT&T. See Access/Divestiture Tariffs, CC Docket No. 83-1145, Released June 12, 1985, recon., 102 FCC 2d 503 (1985). It concluded that such a scheme would perpetuate AT&T's overwhelming market share. Accordingly, at the time of end office conversion to equal access, the BOCs were directed to ballot landline telephone customers, allowing each customer to select the IXC of its choice. These same customer balloting practices have largely been adopted by BOC cellular affiliates in their implementation of equal access.

Since the divestiture, there have been numerous instances in which BOCs have demonstrated their continuing ability to use control of their landline local exchange bottleneck to disadvantage their competitors. At the time of the MFJ Triennial Review, even the Department of Justice, which supported BOC relief from mobile interLATA prohibitions, admitted that non-wireline competitors continued to suffer anti-competitive abuses at the hands of the BOCs.⁵

The apparent BOC strategy has been to stymie potential competition to its landline bottleneck, including cellular competition. There have been instances, for example, where the BOCs have refused to provide interconnection to cellular companies consistent with the directives of the Commission, particularly those relating to cost based pricing and compensation of cellular carriers for their termination of landline originated traffic.⁵

Further, because of acquisitions, there is a growing presence of BOC cellular affiliates as "non-wireline" cellular licensees outside of BOC landline markets.

This development places the BOCs in a position to halt in its tracks the planned

^{5/} See U.S. v. Western Elec. Co., Inc., 673 F. Supp. 525, 580 (D.D.C. 1987). The MFJ court noted that the Department of Justice's own expert, Dr. Peter Huber catalogued instances where "[t]he BOCs have already (1) denied technically efficient interconnections to competing cellular carriers; (2) filed tariffs which set higher rates for competing cellular carriers than were offered for their own interconnection; (3) imposed unreasonable and non-cost based charges for interconnection; (4) threatened to discontinue service to competing cellular carriers if they did not accept whatever interconnection contracts were offered to them; and (5) refused to provide compensation to carriers that terminate or originate cellular calls on behalf of a landline carrier. Dr. Huber therefore concluded that "direct competition between [Regional Companies] and non-wireline mobile carriers does raise serious questions about discriminatory access."

^{6/} See Need to Promote Competition and Efficient Use of Spectrum for Radio Common Carrier Services, 59 RR 2d 1275 (1986), recon., 2 FCC Rcd 2910 (1987), further recon., FCC 89-60, released March 15, 1989.

unification of non-wireline cellular systems into a seamless nationwide network. For example, the BOCs uniformly have refused to participate in seamless non-wireline system internetworking at the same time they are implementing these services as wireline cellular carriers. This behavior underscores the critical need for continuing regulatory oversight and intervention to prevent anticompetitive activities by the BOCs.

B. <u>Independent Cellular Providers Have No History of Anti-Competitive Behavior and No Bottleneck Facilities.</u>

The Commission cannot assume that BOC and independent cellular operators share the same history and anti-competitive incentives and capabilities.

Independent cellular carriers, such as Comcast, do not have a landline bottleneck that they seek to protect even at the expense of growth of their cellular operations. In addition, cellular carriers such as Comcast simply do not have the massive, far flung landline or cellular operations of the BOCs.

Under the Commission's <u>Competitive Carrier</u> regulatory scheme, all LECs are classified as dominant carriers: dominant carriers are able to raise prices or restrict output because of their monopoly or market power.² It is understood that these carriers

^{7/} See e.g., Comments of McCaw Cellular Communications, Inc. on the Motion of the Bell Companies for Removal of Mobile and Other Wireless Services from the Scope of the Interexchange Restriction and Equal Access Requirement of Section II of the Decree, filed with the Department of Justice at 14-16.

^{8/} Independent cellular operators that are affiliated with the co-located local exchange carrier may share some characteristics with the BOCs but none can be presumed to have the same incentives to discriminate in their dealings among IXCs.

^{9/} See Competitive Carrier, 85 FCC 2d 1 (1980), Second Report and Order, 91 FCC 2d 59 (1982) recon. denied, 93 FCC 2d 54 (1983), Third Report and Order, 48 Fed. Reg. 46791 (1983), Fourth Report and Order, 95 FCC 2d 554 (1983), Fifth Report and Order, 98 FCC 2d 1191 (1984), Sixth Report and Order, 99 FCC 2d 1020 (1985) rev'd and remanded MCI Telecommunications Corp. v. FCC, 765 F.2d 1186 (D.C. Cir. 1985).

face no real competition and, thus, the Commission has had to design a regulatory scheme -- accounting, separations and pricing rules -- to protect ratepayers from exploitation by LECs. Equal access is just one component of that policy.

Although independent cellular carriers offer a form of local exchange service, they have never been treated for regulatory purposes like full fledged local exchange carriers nor do they provide an essential service. Unlike a BOC, Comcast has no bottleneck landline facility from which it can leverage competitive advantages.

Moreover, Comcast operates in markets where it competes with BOC cellular affiliates in offering service, including equal access. The competitive forces within each market supplant the need for regulating the provision of IXC equal access by independent carriers.¹¹/

III. MCI's Argument for Uniform Treatment Cannot Withstand Scrutiny.

MCI argues that uniform national policies for cellular interstate interexchange access are in the public interest. However, in its request for application of uniform access obligations on all cellular providers, MCI's petition ignores the stark differences among cellular carriers, their resources and circumstances. The LEC set-aside licensing structure is but one example of the Commission's non-uniform treatment of BOCs and independent operators from the inception of cellular service.

^{10/} The Commission has consistently confirmed in a variety of contexts that cellular carriers are not traditional local exchange carriers. For example, in implementing the Cable Act of 1984, the Commission determined that cellular does not have a "telephone service area" and therefore is not considered to be a telephone company. See Implementation of Cable Act, 58 RR 2d 1, 16 (1985).

^{11/} Competitive Carrier, 98 FCC 2d 1191, 1204 (1984).

There is other Commission precedent for non-uniform treatment. For example, the Commission adopted different IXC equal access rules for independent telephone companies ("ITCs") than those applied to the BOCs. 12/ The Commission recognized that ITCs, like the BOCs, enjoyed local exchange monopolies. However, the Commission realized the obvious differences in circumstances between the BOCs, who benefitted from the Bell System's centralized planning pre-divestiture, and ITCs, who had a broad range of switching equipment and typically provided local telephone service in less populated areas. The Commission determined that uniform BOC/ITC equal access policies were inappropriate. The ITCs were given three years to convert each of their end offices to equal access following receipt of a bona fide request for equal access from an IXC. The Commission also set up a waiver process in the event equal access conversion would not be feasible except at costs outweighing the potential benefits to users.

The Commission often carefully tailors its regulations to reflect the differing operational characteristics of dominant and non-dominant as well as essential and non-essential services. In this case, the disparities between BOC affiliated and independent cellular carriers are readily apparent and warrant differing treatment.

IV. Conclusion

MCI has failed to make a case that there is any need or public benefit to be gained from initiation of a Commission proceeding focusing on cellular provision of IXC access. The current market situation under which BOC cellular affiliates provide

^{12/} MTS/WATS Market Structure (Phase III), 100 FCC 2d 860, 875 (1985) recon. denied, 59 RR 2d 1410 (1986).

IXC equal access but independent cellular operators do not is not an anticompetitive anomaly requiring regulatory redress, but a recognition by both the MFJ court and the Commission that equal access regulations are necessary and appropriate for BOC affiliates based upon both a pre- and post-divestiture history of disadvantaging competitors.

MCI fails to demonstrate that IXC access is not already widely available from BOC cellular affiliates who are pervasively present both within and outside their landline markets. Cellular customers already have a choice between cellular carriers. Even without equal access requirements, each carrier has an incentive to provide the best possible combinations of service to its customer, <u>i.e.</u>, the cellular subscriber.

IXC competition for cellular traffic already exists. However, MCI would have the Commission foreclose existing competition among IXCs for the interexchange traffic of independent cellular operators.

Comcast's cellular customers are not clamoring for equal access. No public benefit can be derived from the adoption of MCI's proposal. Before the Commission can contemplate adopting equal access rules it must be convinced that the considerations that served as a predicate for imposing rules on the BOC affiliates are similarly at issue with regard to independent cellular operators such as Comcast. The

Commission should decline MCI's invitation to force fit inappropriate landline rules to independent cellular carriers; rules that may benefit MCI, but not the public as a whole.

Respectfully submitted,

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